

Reserve Income Replacement Program (RIRP)

Frequently Asked Questions

A – RIRP Information

A.1. Where can Reserve component members find their Regular Military Compensation (RMC)?

Members should go to the Office of the Assistant Secretary of Defense for Reserve Affairs (OASD/RA) website: www.defenselink.mil/ra/, click on the “Income Replacement” window, then click “RIRP Calculator” and follow the step by step instructions.

A.2. Is there a location where Reserve component members can get assistance in estimating their monthly income differential?

Yes. Go to the OASD/RA website: www.defenselink.mil/ra/, click on the “Income Replacement” window, and then click on “Points of Contact” for your service representative

B – RIRP Definitions

B.1. How is Regular Military Compensation (RMC) defined?

Regular Military Compensation (RMC) is the total of direct or indirect cash or in kind compensation received every pay day. It is the sum of basic pay, basic allowances for housing, basic allowance for subsistence, and the Federal income tax advantage that accrues because the allowances for housing and subsistence are not subject to Federal income tax.

Source: 37 USC 101(25)

B.2. How is Total Monthly Military Compensation as used in the law defined?

The sum of RMC of the member and any amount of special pay or incentive pay and any allowance (other than an allowance included in RMC) that is paid to the member on a monthly basis. Note: Bonuses are excluded unless paid on a monthly basis.

Source: 37 USC 910

B.3. How is Average Monthly Civilian Income determined?

The amount, determined by the Secretary concerned, of the earned income of the member for either the 12 full months preceding the member’s mobilization or the 12 months covered by the most recent Federal income tax filing, divided by 12.

Source: 37 USC 910

B.4. How is Monthly Active Duty Income Differential calculated?

The difference between the average monthly civilian earned income of the member and the member’s total monthly military compensation when the member’s average monthly civilian income exceeds the total monthly military compensation.

Source: 37 USC 910

B.5. What is Earned Income?

The total of wages, salaries, tips, professional fees, other taxable employee pay, and net earnings from self-employment.

Source: IRS Publication 596 (2004), Chapter 4.

B.6. What is the Most Recent Federal Income Tax Filing?

The last Federal tax filing submitted before the member's involuntary mobilization reporting date.

Source: OASD/RA Policy

B.7. Is there a statute of limitation for requesting RIRP payments?

Yes. Unless extended in law, the RIRP will terminate on December 31, 2008, and no RIRP payments will be made after that date.

Source: 37 USC 910

C – RIRP Eligibility

C.1. Can the 180 days of involuntary active duty be cumulative or must it be continuous to meet RIRP eligibility requirements?

Continuous.

Source: 37 USC 910

C.2. Are the 24 months cumulative or continuous (for the 60 months RIRP eligibility window)?

Cumulative.

Source: 37 USC 910

C.3. How does long-term hospitalization of member impact eligibility?

If a Guard or Reserve member's involuntary orders are changed to a voluntary status, the member is no longer eligible to receive RIRP payments.

Source: 37 USC 910

C.4. How does the practice of volunteering for involuntary duty impact eligibility?

The factor that determines eligibility is the orders. Orders placing an individual on active duty must specify involuntary duty in support of a contingency operation or an involuntary statutory authority as a basis for the orders. Voluntary duty does not qualify for RIRP benefits.

Source: 37 USC 910

C.5. Are service members serving involuntarily under a provision of title 32, U.S.C., eligible for RIRP benefits?

Yes. Members satisfying RIRP eligibility requirements and serving under the provisions of Section 502(f)(1) of title 32, U.S.C., are eligible for RIRP payments.

Source: 37 USC 101

C.6. Can a member qualify for RIRP more than once for a single contingency or in subsequent years?

A member is entitled to RIRP payments each time he or she satisfies the eligibility requirements, regardless of past entitlement. Once a Reserve member qualifies to receive RIRP payments, the member will remain eligible to receive RIRP payments until there is a change in active duty status or there is a change in the member's monthly active duty income, the member is separated from active duty, or the program termination date (December 31, 2008) occurs.

Source: 37 USC 910

C.7. Will service breaks of less than 30 days end eligibility?

Any break in a Reserve component member's involuntary active duty status will terminate the member's eligibility to receive RIRP payments.

Source: 37 USC 910

C.8. How does the death of the eligible member affect continued eligibility?

RIRP eligibility/payments are terminated upon the death of the member.

Source: OASD/RA Policy

D - RIRP Eligibility Verification

D.1. What documents will the Services require to verify civilian earnings?

All applicable earnings statements, IRS Form W-2, IRS Form 1099, and income tax returns that are necessary to verify civilian earnings for the period in question.

Source: OASD/RA Policy

D.2. Can a spouse apply for RIRP payments on behalf of the military member?

No. There is no application for RIRP benefits. It is an entitlement for eligible members. The military member must verify eligibility for RIRP benefits by completing a RIRP Eligibility Verification Form (DD Form 2919). There is no provision for the spouse to verify eligibility.

Source: OASD/RA Policy

D.3. Using a Power of Attorney from a military member, can a designated party submit a RIRP eligibility verification form on behalf of the service member?

No. The service member must directly verify eligibility for RIRP payments.

Source: OASD/RA Policy

D.4. Is unemployment compensation included in member's earned income?

Yes.

Source: IRS Publication 596 (2004), Chapter 4

D.5. If receiving retirement pay, will it be included in RIRP civilian pay calculation?

Yes.

Source: IRS Publication 596 (2004), Chapter 4

D.6. How is the income I received for drilling and annual training before I was mobilized treated in computing my pre-mobilization income?

All earned income, whether it was from civilian employment or performing military duty is used in the computation of pre-mobilization income. So that amount would be added to civilian income when comparing pre-mobilization earned income to the total monthly military compensation while mobilized.

Source: 37 USC 910

D.7. Are BAH-Diff payments considered part of Regular Military Compensation (RMC)?

No. However, BAH-Diff payments are considered part of Total Military Compensation. For purposes of completing the RIRP Eligibility Verification Form (DD Form 2919), BAH-Diff payments should be reflected as special pay in section: **12. STEP III – OTHER MONTHLY PAYS** (Approximation).

Source: OASD/RA Policy

D.8. Are bonuses included in the calculation of active duty income?

If bonus payments are received on a monthly basis, they will be included in the monthly active duty income calculation. Lump sum or annual bonus payments will not be included in the monthly active duty income calculations.

Source: 37 USC 910

D.9. How will monthly active duty income be affected by forfeitures or other actions that reduce income?

Forfeitures will not effect RMC monthly calculations, as RMC is based on gross monthly military income.

Source: OASD/RA Policy

D.10. Will bi-monthly COLA and BAH rate increases affect the amount of income replacement?

Anything that affects gross income will affect the monthly calculation of RIRP.

Source: OASD/RA Policy

D.11. When we calculate the amount of Reserve monthly income, do we use the “after TSP” amount? For example, \$500 basic pay, \$50 deducted for TSP. Do we use the \$450 for basic pay in the calculation?

RIRP calculations are to be based on gross pay. Therefore, in the example, the \$500 amount would be used as basic pay.

Source: OASD/RA Policy

D.12. Will RIRP payments be rounded to a whole dollar or include cents?

RIRP payments will include cents.

Source: OASD/RA Policy

D.13. Reservists sometimes receive payments in a month that were earned in a previous month – for example, Hostile Fire Pay for January might be paid in February. When the monthly income is calculated, is it all income received that month regardless of the entitlement month?

RIRP calculations are to be made monthly based on income paid in the current month.

Source: OASD/RA Policy

D.14. As income replacement payments are paid on a monthly basis, can members be paid for a partial month (daily rate/1/30th rule)?

No, there is no provision for partial payments. Payments are for “any full month of active duty of the member.”

Source: 37 USC 910

D.15. How will income replacement payments be affected when a service member is placed in a non-pay status such as, AWOL, excess leave, confinement, desertion?

The member must be entitled to military pay for a RIRP payments to be made.

Source: 37 USC 910

D.16. Can RIRP payments be subject to garnishment?

Yes.

Source: OASD/RA Policy

D.17. How will the Services notify DFAS to start and stop the RIRP payments?

Services are responsible for establishing procedures to provide eligibility updates to DFAS.

Source: OASD/RA Policy

E – Tax Implications

E.1. Will RIRP payments be taxed at a flat rate or taxed according to the tax tables?

RIRP payments are subject to tax tables rates.

Source: 26 USC 3402

E.2. Are RIRP payments subject to the Combat Zone Tax Exclusion?

No.

Source: 26 USC 112

E.3. Are RIRP payments subject to FICA taxes?

No.

Source: 42 USC 409 (d)

E.4. Will RIRP pay be subject to Medicare deductions?

No.

Source: 42 USC 409 (d)